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UNCLAS SAN JOSE 000777

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DEPARTMENT FOR WHA/CEN JASON MACK

E.O. 12958: N/A TAGS: PGOV CS

SUBJECT: DEPUTIES-ELECT OF RULING NATIONAL LIBERATION PARTY

(PLN) COMMITTED TO CAFTA-DR

REF: A. SAN JOSE 569

¶B. SAN JOSE 707 ¶C. SAN JOSE 727

SUMMARY

11. For the fourth and final breakfast honoring newly elected deputies to Costa Rica's Legislative Assembly, the Ambassador hosted the largest faction, the National Liberation Party (PLN), on April 6. While individual conversations tended to focus on security issues and the party's anticipated struggle to ratify the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), faction leaders took the opportunity to not-so-subtly ask for financial assistance from the USG. End Summary.

"CONGRATULATIONS, NOW GET MOVING"

- ¶2. On April 6, Ambassador Langdale hosted a breakfast at his residence for the newly elected legislative representatives from the PLN. This was the fourth such event in the Embassy's effort to become better acquainted with incoming deputies. The party of President-elect Oscar Arias, the PLN, will hold the largest bloc in the 2006-2010 Legislative Assembly, with 25 deputies. Of the 25, all but three attended the breakfast. (Comment: This contrasts with a recent cocktail reception for the diplomatic corps hosted by the PLN itself, which managed to draw only three of the newly elected deputies. End comment.)
- $\P 3$. In his welcoming remarks, Ambassador Langdale lauded Costa Rica's continued collaboration in promoting democracy and economic development in the region, and for combating narco-trafficking and child commercial sexual exploitation. He expressed USG concern over Costa Rica's delay in ratifying CAFTA-DR and highlighted some of the potentially damaging economic consequences of the delay, including the exodus of Costa Rican apparel companies to countries that have already implemented the agreement.

"WE'RE DOING OUR BEST, BUT NEED MORE RESOURCES

 $\underline{\mbox{1}}4\:.$ Faction chief Mayi Antillon responded to the Ambassador with a plea for USG understanding of the difficulties faced by the incoming government in its quest to ratify and implement CAFTA-DR. This was a recurring theme at the breakfast, as the assembled deputies acknowledged that CAFTA-DR ratification will be a long time coming. Antillon

further expressed her belief that Costa Rica will rise to the occasion with all of Latin America watching, and approve CAFTA-DR. Following her statement that CAFTA-DR will be adopted, Antillon spoke positively about the Small Business Administration, and how its educational programs would be helpful in preparing small firms to take advantage of opportunities created by CAFTA-DR.

- 15. Francisco Pacheco, the likely future president of the Legislative Assembly, stated that Costa Rica and the U.S. are allies not for convenience, but by conviction. Echoing Antillon, he expressed similar confidence in CAFTA-DR's eventual adoption, and similarly made a plea for assistance. Pacheco spoke wistfully of the days when USAID had a country program in Costa Rica, stating, to the amusement of the assembled deputies-elect, that Costa Ricans remember the assistance much better than does the USG.
- 16. Most conversations during breakfast concerned efforts to ratify and implement CAFTA-DR, and how to address the concerns of CAFTA-DR's opponents. All of the assembled deputies-elect acknowledged the need for a "complementary agenda," designed to improve the country's infrastructure and minimize any short-term negative impact of CAFTA-DR by providing retraining and small business startup assistance. Security also played prominently in our discussion, reflecting the growing public concern with the rise of increasingly violent crime. Several deputies-elect stated that in addition to hiring and training more police, Costa Rica needs to focus on preventing crime within neighborhoods and communities, relying on a grassroots approach to crime reduction.

COMMENT

17. Throughout the morning event, Embassy officers were impressed by the level of party discipline exhibited by the deputies-elect. The large attendance at the breakfast was attributable not only to the draw of the U.S. Ambassador, but also to a craftily scheduled meeting for the faction, held immediately after the breakfast at the nearby home of one of the deputies-elect. With the largest bloc in the Legislative Assembly, and facing tremendous pressure from both sides in the CAFTA-DR debate, party leadership will likely continue to exert a concerted effort to maintain party unity. LANGDALE